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Findings from a Retrospective Survey of Faith-Based and Community Organizations (FBCOs)

An Assessment of the Compassion Capital Fund

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An Assessment of the Compassion Capital Fund: Findings from a Retrospective Survey of FBCOs

Background

The Compassion Capital Fund (CCF), established by Congressional appropriation in 2002, is a key component of President Bush's Faith-Based and Community Initiative. The Fund is administered through the Office of Community Services, Administration for Children and Families (ACF) within the Department of Health and Human Services. The primary purpose of the CCF is to help faith-based and community organizations (FBCOs) increase their effectiveness, enhance their ability to provide social services to serve those most in need, expand their organizations, diversify their funding sources, and create collaborations to better serve those in need.

A major component of the CCF program is the Demonstration Program. The CCF Demonstration Program funds intermediary organizations that serve as a bridge between the federal government and FBCOs. All CCF funded intermediary organizations provide grassroots faith-based and community organizations with at least three types of capacity building assistance: training, technical assistance, and sub awards.

Evaluating the CCF Demonstration

Consistent with the Administration's emphasis on performance measurement, HHS has implemented a comprehensive evaluation of the CCF Demonstration Program comprised of two longer-term studies. The first is an *outcomes study* of FBCOs receiving intensive services from 44 intermediary grantees funded between FY 2003 and FY 2005. This study utilizes a baseline survey administered at the time of application for CCF services and a follow-up survey that will be administered approximately 15 months later. The second study is an experimental *impact evaluation* and will involve FBCOs applying for services from the ten intermediary grantees funded in FY 2006. FBCOs will be randomly assigned to either a treatment or control group. A baseline and follow-up survey of both groups will be conducted to gauge the effects of CCF support.

To complement these longer-term evaluations, ACF also conducted a *retrospective survey* of a sample of FBCOs that received support from intermediaries funded during the 2002 CCF grant cycle. The purpose of this study was to provide some preliminary insight into the extent to which FBCOs have succeeded in utilizing CCF resources to enhance their organizational and service delivery capacity. Key findings from the retrospective study are summarized in this brief.

Overview of the Study Design

The retrospective survey was conducted among a sample of 173 FBCOs served by nine of the 21 CCF intermediaries funded during the FY 2002 grant cycle. All of the FBCOs were recipients of a sub-award (financial assistance) from the intermediaries during calendar year 2003. The survey was distributed and returned by mail with follow-up of non-respondents conducted by telephone. This data collection methodology resulted in 125 completed surveys for a response rate of 72%. The survey was conducted during February and March of 2006, which was approximately three and one-half years after the award of the CCF grant to the intermediaries.

Limitations to the Study

Readers should be cautioned that the study results are based on self-reported information provided by a limited sample of FBCOs. In addition, the study does not include any type of comparison or control group, which precludes the conclusive attribution of results or changes to the assistance provided through the CCF program.

Profile of Survey Respondents

Among the 125 FBCOs completing the survey, 53% of the organizations indicated they were faith-based and 47% were secular organizations. The FBCOs that responded to the survey are programmatically quite diverse, with nearly half (47%) reporting that they provide services in multiple (more than two) social service areas. The most commonly reported areas of programming were services to at-risk children and youth (47%), education and training (41%), and health services (31%). While these three areas were a prominent focus of many organizations, the FBCOs participating in the survey addressed a broad range of at-risk and hard-to-serve populations including the homeless, prisoners re-entering the community, addicts, immigrants, the elderly, and the disabled as well as those seeking marriage education services.

Overview of Findings

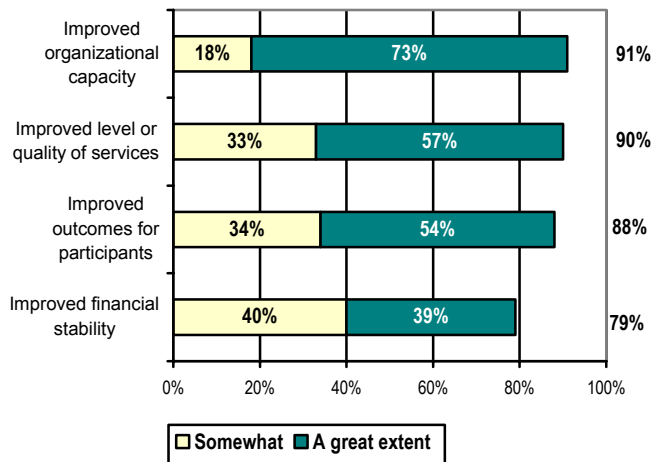
As noted, all organizations selected for the survey received financial assistance in the form of a sub-award from their CCF-funded intermediary. Approximately half (47%) of the sub-awards were between \$10,000 and \$25,000 over the course of a year. Only one in five FBCOs (21%) received a sub-award in excess of \$25,000. Almost all of the FBCOs (91%) reported that the financial assistance was coupled with one-on-one customized technical assistance and/or group training or workshops provided by the CCF intermediary.

The study was designed to gather insight into the extent to which FBCOs perceived that CCF support was beneficial in strengthening their financial, organizational, and service delivery capacity. A set of summary questions provides an overview of FBCOs' perceptions of the extent to which intermediary support "made a positive difference."

As can be seen in Exhibit 1, FBCOs were particularly positive about the extent to which CCF support contributed to the improved *organizational capacity* and improved *level or quality of services*. In both instances, over 90% of FBCOs reported that the CCF services contributed “somewhat” or “to a great extent” to improvements in these developmental areas.¹ Intermediaries’ assistance in improving *financial stability* was also rated positively but by a somewhat smaller proportion of FBCOs (79%). More detailed information about changes in important developmental areas is presented below.

Exhibit 1: FBCO Ratings of Intermediary Support

Intermediary assistance made a positive difference in...



Strengthening FBCOs’ Organizational Capacity

Fund Development Strategies. FBCOs were asked about their experience in applying for and receiving funding from various sources both before and after their receipt of the CCF services. These questions were designed to gauge changes in FBCOs’ pursuit of funding from federal and state and local government agencies as well as from foundations and other federated giving groups such as the United Way.

As a group, FBCOs reported increases in their rate of application submission to each of the funding sources after receipt of capacity building services: 40% increase to federal agencies, 30% increase to state/local government agencies, 20% increase to federated giving groups, and 7% increase to foundations. This increased application activity led to increased success in obtaining funding from these sources as well. FBCOs reported an 11% increase in application funding from both federal and state/local government agencies and a positive but smaller increase in application funding from foundations and other federated giving groups (6% and 4%, respectively). Relative to other sources, the survey also indicates that the FBCOs were most inclined to pursue funding opportunities from philanthropic foundations. The proportion applying for funding from this source was relatively high (70%) *prior* to receipt of CCF services and increased to 75% *since* receipt of the sub-award.

Overall, 67% of FBCOs responding to the survey indicated that CCF services increased their ability to seek or diversify funding sources. Behind these overall trends there were some differences in the responses of faith-based groups and secular organizations. As seen in Exhibit 2, *faith-based* organizations reported the greatest increase in applications to federated giving groups (60%) while *secular* organizations reported a larger increase in applications to federal funding sources (51%) than to other sources. Faith-based respondents reported a greater increase in successfully obtaining funding from federal sources while secular organizations reported the greatest increase in receipt of funding from federated giving groups.

¹ Four survey response options included “a great extent,” “somewhat,” “very little,” and “not at all.”

Exhibit 2: Change in Proportion of FBCOs Applying for and Receiving Funding

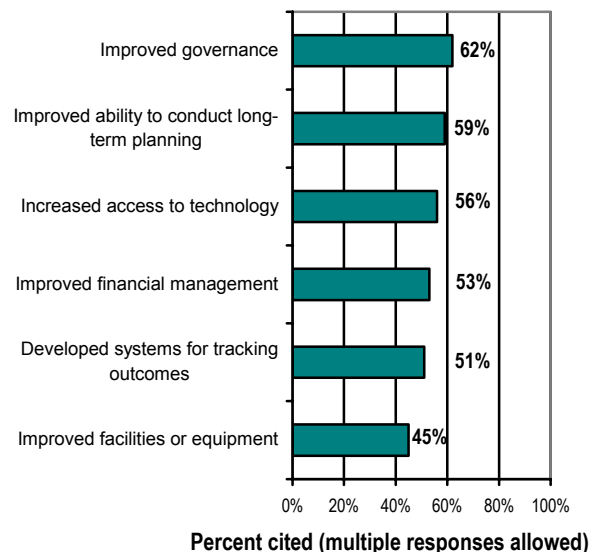
| Source | FBCOs Applying for Funding (Percent change: pre to post sub-award) | | FBCOs Receiving Funding (Percent change: pre to post sub-award) | |
|-------------------------------------|---|---------|--|---------|
| | Faith-Based | Secular | Faith-Based | Secular |
| Federal government | +16% | +51% | +51% | -13% |
| State and local government agencies | +33% | +25% | +11% | +2% |
| Foundations | +9% | +5% | +1% | +10% |
| Federated giving groups | +60% | -14% | -3% | +30% |

The CCF Demonstration Program aims to create lasting improvements in organizations' sustainability and service delivery. While fund development is a critical dimension of FBCOs' longer-term viability, CCF services also assist FBCOs to develop the leadership capabilities, business systems, and infrastructure needed to enhance overall organizational capacity. FBCOs completing the survey reported that their organizations were strengthened by CCF services in a number of key areas, summarized in Exhibit 3.

Governance. Boards of directors with responsibility for setting priorities and policies and ensuring sound fiscal practices are central to organizations' abilities to fulfill their missions. Sixty-two percent of surveyed FBCOs reported that CCF services improved their internal governance by strengthening the board of directors. Specific actions that organizations took to improve the effectiveness of their boards of directors include: defining board members' roles and responsibilities, recruiting new members, and establishing board committees.

Long-Term Planning. Approximately six out of ten organizations (59%) reported that CCF services improved their ability to do effective long-term planning. The most commonly cited capacity changes in this area included the development or refinement of a mission statement, the preparation of a workplan for implementing long-range annual goals, and the creation or updating of a written strategic plan.

Financial Management Systems. Fifty-three percent of FBCOs reported improvements in their financial management systems. Organizations reported that they advanced their financial management systems by using new financial software, developing systems for tracking income and expenses, and developing systems for recording transactions and generating regular budgets.

Exhibit 3: Areas of Organizational Capacity Strengthened by CCF Services

Access to Technology. When organizations gain access to new technology they can take advantage of available resources such as financial software and adopt computerized bookkeeping systems. Over half (56%) of the FBCOs reported at least one technological upgrade, with the purchase of new computers and related hardware and software at the top of the list.

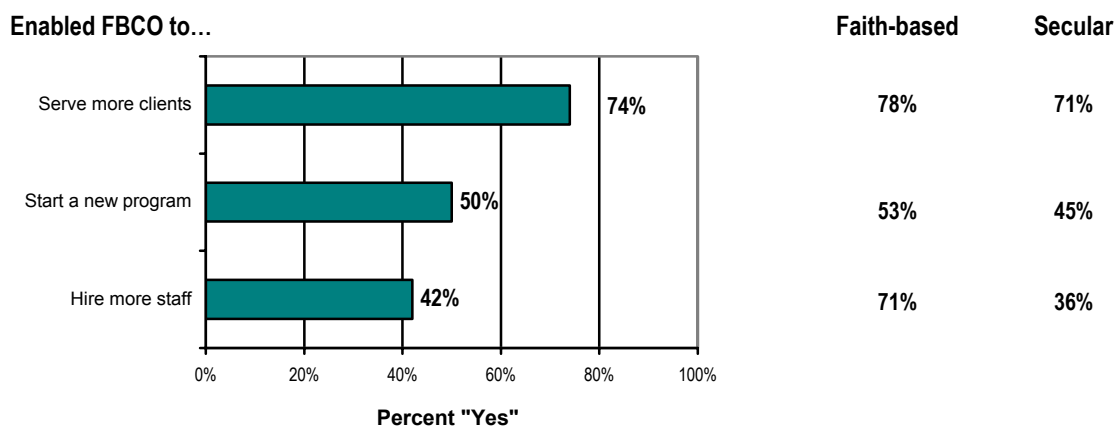
Tracking Systems. After receipt of CCF services, just over half (51%) of the organizations reported developing systems for tracking outcomes. Organizations credited their work with CCF-funded intermediaries with the adoption of or improvements in the collection of basic information about program clients and identification of key outcomes and collection of outcome data on an ongoing basis.

Strengthening FBCOs' Level or Quality of Services

Much of the emphasis of the CCF services is on strengthening FBCOs' organizational infrastructure. Ultimately, however, the aim of the support provided by CCF intermediaries is to enhance the capacity of these organizations to deliver effective social services to their constituents. While the study does not allow a causal link to be empirically established, the survey nonetheless provides preliminary insight into the perceived value of CCF support in enabling FBCOs to serve more clients, hire more staff and start a new program.

As shown in Exhibit 4, nearly three-quarters (74%) of all FBCOs responding indicated that CCF support enabled them to *serve more clients*. Faith-based organizations were slightly more likely to report this result than secular organizations (78% versus 71%). Faith-based organizations reported a median of 100 additional clients served and secular organizations reported a median of 30 additional individuals or families served (not shown in Exhibit).

Exhibit 4: FBCOs' Reported Influence of CCF Intermediary Services on Service Delivery Capacity



All faith-based and secular organizations reported that the sub-award was either “very important” or “moderately important” in achieving this increase. Training provided by the intermediary was also seen as an essential contributor, with 85% of FBCOs citing it as being “very important” or “moderately important.”² Among those who reported that CCF support enabled them to increase service levels, 86% reported that they had been able to sustain the increase after the sub-award funds ran out.

The increase in clients served may, in part, be attributable to FBCOs expanding their service base. As indicated in Exhibit 4, half of the respondents reported that CCF support enabled them to ***start a new program***. Respondents were again quite clear that sub-awards (95%) and training (74%) were important factors in fostering their ability to start a new program. A sizeable majority (80%) of those who succeeded in starting a new program reported that it was sustained beyond the period of the sub-award funding.

A smaller proportion (42%) of FBCOs reported that CCF support enabled them to ***hire more staff***. Nearly half of the faith-based respondents (47%) and one-third (36%) of secular organizations reported hiring more staff. Faith-based organizations reported hiring an average of two new staff, while secular organizations reported hiring one, on average. Approximately two-thirds (63%) of those organizations reporting the addition of new staff indicated that they were able to sustain the increase after the sub-award ended.

Conclusion

Organizations attribute numerous benefits to the financial, training and technical assistance support they received from CCF-funded intermediaries. Positive results were seen among both faith-based and secular organizations. A solid majority of all FBCOs report improved financial stability as an increased proportion both sought and received funding from new sources. Organizations also reported that CCF support has led to strengthened infrastructure through such concrete steps as defining board members’ roles and responsibility, making technological upgrades, and implementing outcomes tracking systems. In addition to internal changes, FBCOs report that the financial sub-awards in particular, have allowed for an increase in the level of services they provide.

It is important to note, however, that these accomplishments are only interim milestones. In the end, the ultimate mission of CCF is to help grassroots organizations provide more effective services to more individuals and families on a sustained basis. Taken together, these findings portray a group of organizations that have clearly strengthened their capacity to pursue and achieve this goal.

² Three survey response options included “very important,” “moderately important,” and “not very important.”